



IRS Nationwide Tax Forum | 2021

Advocating for Taxpayers Eligible for Payment Plans
Tuesday, July 20th, 2021

Start Time: 11:00am Eastern / 10:00am Central
9:00am Mountain / 8:00am Pacific

Note: You should be hearing music while waiting for webinar to start.

Having Technical Issues?

View the “Technical Issues” troubleshooting guide in the Materials drop-down menu on the left side of this page



Today our webinar will:

- Introduce the basics of an installment agreement
- Identify the different types of installment agreements
- Identify how the IRS is assisting taxpayers struggling during the COVID-19 pandemic



Payment Plans

- An agreement where the taxpayer agrees to pay his or her debt in monthly installments.
- IRC § 6159.
- The IRS sends an annual notice to the taxpayer showing the balance at the start of the year, payments made, and the remaining balance.



Installment Agreement Fees

- IRC § 6159(f).
- When a taxpayer is at or below 250% of the federal poverty level:
 - No fee if direct debit is used.
 - If no direct debit, the fee will be reimbursed once the terms of the installment agreement are met.



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Installment Agreement Fees, Continued

- Short-term Payment Plan
- Long-term Payment Plan
- Changing an Existing Payment Plan



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Termination of an Agreement

- An accepted installment agreement stays in effect for the term of the agreement unless:
 - Inadequate information or jeopardy
 - Subsequent changes in financial conditions
 - Failure to make an installment payment or any other tax payment when due or provide requested financial information



Termination of Agreement, Continued

- Before the IRS can terminate an installment agreement it must provide notice to the taxpayer.
 - 30 days before the termination
 - Include an explanation

Note: this requirement does not apply to jeopardy cases

- Independent Administrative Reviews.



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Modification of Installment Agreements

- The IRS can modify an installment agreement for the same reason it can terminate an installment agreement.
- Taxpayers can request a modification or termination.



Impact on Collection Actions

- The IRS will not levy on the taxpayer's property and rights to property while the installment agreement is pending, 30 days after rejection, while an installment agreement is in effect, or 30 days after the termination of the installment agreement (if termination is appealed, also while the appeal is considered). See IRC § 6331(k)(2).
- Exceptions apply.
- The IRS can still apply overpayments and file liens.



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Important Definitions

- Pending = When the installment agreement is accepted for processing. It will remain in pending status until accepted, rejected, or withdrawn.
- Acceptance = Once the IRS notifies the taxpayer.
- Rejected = Once the IRS notifies the taxpayer of the rejection, provides the reason, and provides appeal rights.



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Using the Online Payment Agreement Tool

- Applying as POA for an Individual
- Applying as POA for a Business



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Alternatives to the Online Payment Agreement Tool

- Receive an activation code by mail
- Form 9465, Installment Agreement Request



Guaranteed Installment Agreements

- Owe income tax only of \$10,000 or less (excluding penalties and interest);
- Have not failed to file or pay income taxes, nor entered an IA for payment of taxes in the preceding five taxable years;



Guaranteed Installment Agreements, Continued

- Agree to fully pay the tax liability within 3 years;
- No financial statement required and no lien determination required; and
- Are granted even if taxpayers can full pay.



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Streamlined Installment Agreements

- Administrative creation of the IRS;
- Aggregate unpaid balance of assessments is \$50,000 or less;
- Includes tax, assessed penalty and interest, and all other assessments on the tax modules; and
- Does not include accrued penalty and interest.



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Streamlined Installment Agreements, Continued

- Minimum payment amount is determined by dividing the balance by 72 and must be full paid prior to the expiration of the CSED.
- No financial statement required and no lien determination under \$25,000.
- Are granted even if taxpayers can full pay.



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In-Business Trust Fund Express Installment Agreements

- Aggregate unpaid balance of assessments is \$25,000 or less.
- The unpaid balance of assessments includes tax, assessed penalty and interest, and all other assessments on the tax modules.
- Does not include accrued penalty and interest.



In-Business Trust Fund Express Installment Agreements, Continued

- If balance is less than \$10,000, the IBTF Express IA may be established using any payment method.
 - DDIA is required on all IBTF Express IAs with UBA between \$10,000 and \$25,000
- Fully Paid in 24 months, or before the CSED, whichever is earlier.
- No financial statement is required.
- A NFTL determination is not required but may be filed.

Non-Streamline Installment Agreements

- Does not meet the criteria for any other type of IA (Guaranteed, Streamlined, IBTF-Express)
- A NFTL determination is required;
- Required verification of current compliance with filing and deposit requirements.



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Non-Streamline Installment Agreements, Continued

- A financial statement may be required based on amount of tax liability;
- If taxpayers can fully pay liabilities from current assets and/or income and do not qualify for the other IAs, then they will be asked to full pay.



Collection Information Statements

- Form 433-B, Collection Information Statement for Businesses
- Form 433-F, Collection Information Statement
- Form 433-H, Installment Agreement Request and Collection Information Statement



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Best Practice Tips for Interviewing New Clients

- Is tax problem related to a specific event?
- Is the event ongoing?
- Is your client compliant with filings?
- Can your client make estimated payments or federal tax deposits?



Best Practice Tips for Interviewing New Clients, Continued

- Can your client adjust cash flows or future profits?
- Is your client a wage earner, self-employed or both?
- Does the client work full time, part time, or seasonally?



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Making Monthly Installment Agreement (IA) Payments

The IRS encourages taxpayers to use electronic methods or credit card payments before accepting payment by check or money order:

- Electronic Federal Tax Payment System (EFTPS)
- Direct Debit installment agreements
- Payroll Deduction installment agreements
- Credit Card installment agreement payments
- Direct Pay



Highlights of the Taxpayer Relief Initiative

- IR-2020-248
- Short-term payment plan options extended from 120 to 180 days
- The IRS will automatically add certain new tax balances to existing IAs, for individual and out-of-business taxpayers



Taxpayer Relief Initiative, page 2

- Special relief for individual taxpayers who owe less than \$250,000
- IA with no lien filed (2019 tax year only)
- IA without providing a financial statement or substantiation



Taxpayer Relief Initiative, page 3

- Modified IA procedures to further limit requirements for Federal Tax Lien determinations for some taxpayers who only owe for tax year 2019.
- Qualified taxpayers with existing DDIA's may now use the Online Payment Agreement (OPA) system to propose lower monthly payment amounts and change their payment due dates.



Corresponding with the IRS During COVID-19

The IRS is open and processing mail, tax returns, payments, refunds, and correspondence. However, COVID-19 continues to cause delays in services.

Delays can involve:

- Answering mail from taxpayers
- Live phone support



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Calling the IRS

The IRS phone lines have long wait times and there's a chance you won't be able to get through. Try these alternatives:

- IRS.gov
- Automated phone lines (Let Us Help You link)
- Taxpayer Assistance Centers (TACs) 844-545-5640
- TAS

Appealing a Denial

- Taxpayers can appeal a rejected, proposed for modification, modification, proposed for termination or terminated installment agreement to the IRS Independent Office of Appeals (Collection Appeal Program appeal).
- Taxpayers have 30 days after being informed of the denial in order to request an appeal.



How TAS Can Help

- Determine the status of a claim and whether timeframes are being met
- Ask the IRS to reconsider a denial of an IA or to review at a higher level
- TAS is not a substitute for normal appeal rights



Resources

- Form 9465, Installment Agreement Request
- Publication 594, The IRS Collection Process
- Publication 5123, Online Payment Agreement
- Publication 1, Your Rights as a Taxpayer



TAS Resources

- www.TaxpayerAdvocate.irs.gov
- www.youtube.com/tasnta
- www.facebook.com/YourVoiceAtIRS
- twitter.com/YourVoiceatIRS
- Call 877.777.4778
- File Form 911, *Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order)*

Systemic Advocacy Management System

How can you report a systemic issue?

- By visiting the [Systemic Advocacy Management System \(SAMS\)](#) site.

The screenshot shows the IRS website's navigation bar with links for File, Pay, Refunds, Credits & Deductions, and Forms & Instructions. Below the navigation bar, the breadcrumb trail reads: Home / Taxpayer Advocate Service / Systemic Advocacy Management System (SAMS). The main heading is "Systemic Advocacy Management System (SAMS)". On the left, a vertical list of links includes: Taxpayer Bill of Rights, Local Taxpayer Advocate, Low Income Taxpayer Clinics, Reports to Congress, Taxpayer Advocacy Panel, and Systemic Advocacy Management System (SAMS). A blue button labeled "Enter SAMS" is positioned below this list. To the right, the section "Know of a tax problem that affects more than one taxpayer?" is highlighted. It contains a paragraph explaining that users can help the Taxpayer Advocate Service tackle "big-picture" problems in the IRS or the tax law by reporting them. It lists four types of issues: those affecting multiple taxpayers, those with unresolved IRS problems (with a link to "TAS may be able to help"), those involving IRS systems, policies, and procedures, and those involving taxpayer rights, burden reduction, fair treatment, or essential services. Below this list, it says "Read our FAQs for additional information on submitting systemic issues." At the bottom right, the heading "How can I report one of these issues?" is visible.

Careers With Taxpayer Advocate Service

Don't just sit there!




Find a career with the Taxpayer Advocate Service

Do you enjoy working with and helping people? The Taxpayer Advocate Service (TAS) is the taxpayer's voice at the IRS and may be just the place for you. TAS offers a unique opportunity for you to advocate for taxpayers who experience difficulties or hardships resolving their tax issues and protecting their tax rights.

Apply to join our dynamic team and grow your federal government career with TAS working on issues related to tax processing, taxpayer assistance, and improvement of tax procedures.



Why work for TAS?

-  TAS has offices in all 50 states, the District of Columbia, and Puerto Rico.
-  TAS has positions in Customer Service, Accounting, Tax Law, Human Resources, Communications, Finance, Technology, and more.
-  TAS offers generous benefits and perks.

Benefits & Perks

- Competitive salary, bonuses, and incentive awards
- Variety of work schedules and telework
- Paid holidays and leave
- Generous retirement benefits
- Excellent health and life insurance
- Opportunities for training and career advancement
- Worklife programs



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Learn more about a TAS career at
www.taxpayeradvocate.irs.gov/careers.